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# Message Text

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ACTION AID-59

INFO OCT-01 EA-11 ISO-00 AGR-20 IGA-02 CIAE-00 INR-10

NSAE-00 RSC-01 COME-00 TRSE-00 DRC-01 /105 W
---------- 068672
P R 230314Z JAN 74
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC PRIORITY 1054
INFO AMEMBASSY PHNOM PENH
AMEMBASSY BANGKOK
AMEMBASSY VIENTIANE
AMEMBASSY TOKYO
AMEMBASSY SEOUL
AMCONSUL DANANG
AMCONSUL NHA TRANG
AMCONSUL BIEN HOA
AMCONSUL CAN THO

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EO 11652: N/A
TAGS: EAGR VS
SUBJ: RICE SITREP FOR DEC 1973

REF: A. SAIGON 906 B. SAIGON 905

1. SUMMARY: DESPITE 30,000 MT IMPORTS IN FIRST HALF JANUARY STOCKS REMAIN AT LOW LEVEL AS FORMULATION OF EFFECTIVE RICE POLICY DELAYED BY CONTINUING DEBATE WITHIN GVN ON CONTROLLS. REFS A AND B DISCUSSED RICE PRODUCTION DATA AND ESTIMATED PL-480 RICE REQUIREMENTS. PADDY AND RICE PRICES ARE IN SEASONAL DECLINE. GVN SALES POINTS SET UP IN LAST MONTH OF 1973 FOR DISPOSAL OF RICE AT CONTROLLED PRICES NOW RAPIDLY CLOSING AS NO MORE RICE IS ISSUED TO THEM FROM GVN STOCKS. END OF SUMMARY.

2. END DECEMBER SAIGON AND CENTRAL VIETNAM STOCKS (000 MT)

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SAIGON IMPORTED: 9.7

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SAIGON DOMESTIC: 25.1
SAIGON PRIVATE: 3.4
DEFICIT PROVINCES: 18.1
TOTAL: 56.3

3. APPARENT DECEMBER CONSUMPTION

END NOVEMBER STOCKS: 111.8
DECEMBER DELTA DELIVERIES: 31.0
DECEMBER IMPORTS: 0
TOTAL AVAILABLE: 142.8
MINUS END/DECEMBER STOCKS: 56.3
EQUALS: 86.5
MINUS LOAN TO CAMBODIA: 9.4
EQUALS APPARENT CONSUMPTION: 77.1

4. STOCKS AT BEGINNING OF 1973 WERE 57,200 MT. END OF YEAR STOCKS WERE 56,300 MT. TOTAL 1973 DELTA DELIVERIES WERE 508,300 MT AND IMPORTS FOR GVN USE WERE JUST UNDER 260,000 MT. TOTAL DRAWDOWN WAS 769,200 MT. DEFICIT AREA AVERAGE MONTHLY DISAPPEARANCE WAS JUST OVER 64,000 MT. CONSUMPTION ROSDTCARPLY AS CONTROL SYSTEM TOOK FULL HOLD IN NOVEMBER AND DECEMBER, 75,000 MT AND 77,000 MT RESPECTIVELY. IT APPEARS JANUARY CONSUMPTION WILL ALSO BE ON HIGH SIDE. GVN STOCKS AS OF JAN 17 ARE ONLY 64,981 MT DESPITE RECEIPT OF 30,600 MT IMPORTS THUS FAR IN JANUARY. JANUARY DELTA DELIVERIES THROUGH THE 18TH ARE 36,738 MT.

5. CURRENT LOW STATE OF GVN STOCKS IS PARTLY RESULT OF INDECISION ON RICE POLICY. NATIONAL FOOD ADMINISTRATION, WHICH REPLACED GENERAL SUPPLY AGENCY IN NOVEMBER, IS SEVERELY HAMPERED BOTH IN FORMULATION AND IMPLEMENTATION OF CREDIBLE RICE POLICY AS GVN DEBATES FUTURE OF CONTROLS. AT PRESENT TIME ISSUE CENTER SON MOVEMENTS CONTROLS WHICH GVN MILITARY WISH TO RETAIN AS THEY BELIEVE THE CONTROLS ARE ESSENTIAL TO PREVENT RICE FROM GOING TO VC/NVA AREA. WITH CURRENT INDICISION, BANKS ARE RELUCTANT TO MAKE NORMAL LARGE LOANS FOR RICE MERCHANTS AND MERCHANTS ARE RELUCTANT TO SIGN CONTRACTS
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WITH GOVERNMENT. CREDIT COMMERCIAL BA K AT THIS TIME WILL NOT LEND MONEY TO SAIGON AND DELTA MERCHANTS FOR PRIVATE RICE TRADE, BUT ONLY FOR SALES TO NFA AT OFFICIAL PRICE OF 13,500 $VN PER 100 KILOS NUMBER 1, 25 PERCENT BROKENS. MERCHANTS FIND THE PRICE LOW, BUT ARE MORE DETERRED BY REQUIREMENT TO SELL 100 PERCENT TO NFA. IN CONTRAST, CENTRAL VIETNAM MERCHANTS ARE FREE TO BORROW FROM CREDIT COMMERCIAL AT SPECIAL INTEREST RATES OF

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17 PERCENT TO CARRY ON PRIVATE PURCHASES IN SAIGON AND
DELTA FOR SHIPMENT AND FREE MARKET SALE IN CENTRAL
VIETNAM. NET RESULT IS THAT TO DATE NFA HAS NORMAL
CONTRACTS FOR ONLY 6,900 MT. ANOTHER 20,000 MT HAVE
BEEN CONTRACTED WITH SELECTED MERCHANTS THROUGH INTEREST
FREE USE OF GVN FUNDS DRAWN FROM PEREQUATION TAXES.
CREDIT COMMERCIAL UNLIKELY TO REVIEW CREDIT POLICY AS
LONG AS CONTROL ISSUE UNRESOLVED. WE ARE SUGGESTING
NEED FOR PROMPT DECISION AND BELIEVE SUCH
DECISIONS WILL BE TAKEN IMMEDIATELY FOLLOWING TET.
MERCHANTS MEANWHILE ARE USING OTHER BANK AND PRIVATE FUNDS
TO CARRY ON TRADE.

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ACTION AID-59

INFO OCT-01 EA-11 ISO-00 AGR-20 EB-11 IGA-02 CIAE-00

INR-10 NSAE-00 RSC-01 COME-00 TRSE-00 L-03 NSC-10

OMB-01 DRC-01 /130 W
---------- 063527
P R 230314Z JAN 74
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6. REF A CITES MISSION ESTIMATES FOR BMQOUEXQOUR RICE
PRODUCTION AND REF B OUTLINES WHAT WE BELIEVE ARE
GVN PL-480 RICE REQUIREMENTS.

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7. PRICES

A. DELTA PADDY AT THE MILL ( WEIGHTED AVERAGE PER 100 KILOS)

| | SEPT 1 | OCT 1 | NOV 1 | DEC 1 | DEC 15 | JAN 1 |
|---|---|---|---|---|---|---|
| HIGH QUALITY | 9440 | 9352 | 9278 | 10702 | 10363 | 10016 |
| MEDIUM QUAL. | 8689 | 8413 | 8523 | 9600 | 9911 | 9198 |

B. SAIGON WHOLE SALE RICE PRICES (100 KILOS)

| | NOV 5 | NOV 16 | DEC 10 | DEC 17 | DEC 31 | JAN 21 |
|---|---|---|---|---|---|---|
| NANG HUONG | 21,400 | 22,000 | 23,500 | 23,500 | 23,800 | 22,000 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| SOC X NAU NO 1 | 15,500 | 15,800 | 17,300 | 16,500 | 15,300 | 15,000 |
| 25 PERCENT | 14,500 | 15,000 | 16,400 | 15,500 | 14,700 | 14,200 |
| IR-8 | 13,000 | 13,000 | 14,600 | 13,700 | 14,200 | 14,000 |

C. SAIGON RETAIL RICE PRICES (100 KILOS)

| | NOV 5 | NOV 19 | DEC 10 | DEC 17 | DEC 31 | JAN 21 |
|---|---|---|---|---|---|---|
| NANG HUONG | 22,500 | 23,000 | 24,500 | 24,500 | 24,800 | 23,200 |
| SOC NAU NO 1 | 16,500 | 17,000 | 18,000 | 17,200 | 17,300 | 16,500 |
| 25 PERCENT | 15,800 | 16,200 | 17,200 | 16,200 | 16,500 | 15,600 |
| US MEDIUM | 16,000 | 16,000 | 16,500 | 16,200 | 16,200 | 15,200 |
| US LONG | 17,000 | 17,000 | 17,200 | 17,000 | 17,200 | 16,500 |

8. PADDY AND ALL RICE PRICES CONTINUE TO MOVE DOWNWARD AS MAIN HARVEST COMES ON TO THAUMARKET AND GVN COMPETITION FOR RICE PURCHASES REMAINS AT LOW LEVEL. HOWEVER, MANY PEOPLE IN METROPOLITAN SAIGON AREA AND CENTRAL VIETNAM ARE PAYING HIGHER PRICES FOR RICE AS SALES POINTS SET UP IN SEPTEMBER TO SELL AT CONTROLLED PRICES CEASE OPERATING.
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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** RICE, IMPORTS, STOCKPILES, PRICES, ECONOMIC PROGRAMS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 23 JAN 1974
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** MorefiRH
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1974SAIGON01024
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Film Number:** n/a
**From:** SAIGON
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1974/newtext/t19740121/aaaaatsu.tel
**Line Count:** 209
**Locator:** TEXT ON-LINE
**Office:** ACTION AID
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 4
**Previous Channel Indicators:**
**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
**Reference:** A. SAIGON 906 B. SAIGON 905
**Review Action:** RELEASED, APPROVED
**Review Authority:** MorefiRH
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 22 JUL 2002
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <22 JUL 2002 by cunninfx>; APPROVED <04-Sep-2002 by MorefiRH>
**Review Markings:**

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US Department of State
EO Systematic Review
30 JUN 2005

**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** RICE SITREP FOR DEC 1973
**TAGS:** EAGR, VS
**To:** STATE
**Type:** TE
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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